

PX 255

From: [REDACTED]
Sent: Sat 6/16/2018 7:32:15 AM (UTC)
Subject: Re: [Important update] Japan FSA Virtual Currency Working Group Meeting tomorrow

Hello All,

Thanks for all your support and inputs. I had a positive discussion with the JFSA. The event was attended by 150+ members from JFSA, academia and banks. Short summary of discussion below:

- Goal of the meeting was to hear from industry players how virtual currency markets could be better regulated
- Gensler did talk about XRP being a security, while smartly avoiding getting into details on Ether. Preempting my arguments, he said "now Ripple might say that XRP is open-source and that XRP was gifted to Ripple, but fact is that Ripple still profits by selling XRP"
- He often used the term "in MY view as an ex-regulator and banker" to emphasize his arguments
- I rebutted Gensler's views by stressing that only the US SEC could decide whether XRP or any other digital asset was a security, while providing facts on why we believed XRP was not a security. I also reminded the audience about his initial views on Ether, which were proved wrong by the SEC.
- I gave an overview of Ripple's vision and products. Also provided recommendations on how global virtual currency markets could be better regulated
- Given time constraints and size of audience, I could not answer all questions. We will request for a separate one-on-one discussion with JFSA to have a focused discussion on xRapid and clarify any concerns/misconceptions they might have.

Regards,
[REDACTED]

On Fri, Jun 15, 2018 at 1:45 AM, Monica Long [REDACTED]@ripple.com> wrote:

Great. Additionally, here are talking points specific to Gensler:

- Amid the scrutiny of ICOs, Gensler jumped into the fray (with a big assist from the New York Times' Nathaniel Popper [here](#)) brashly suggesting that ETH and XRP are "noncompliant securities." Note that the CFTC, which Gensler led, plays no role at all in determining whether anything is a security and he's already proving wrong with the SEC declaring ETH is not a security.
- On this issue of digital assets and security classification, smarter and more experienced minds differ greatly from Gensler, [here](#).
- Also noteworthy, the United States government already has called XRP a virtual currency, not a security, [here](#).
- Why does it appear that MIT is attempting to sabotage other cryptocurrencies in favor of Bitcoin?
- Gensler's new role at MIT's Digital Currency Initiative raises questions about that initiative: What is the role of MIT's DCI – which admits that it supports Bitcoin developers – once gave out a Bitcoin Evangelist Award – and now appears to be openly critical of other cryptocurrencies?

On Thu, Jun 14, 2018 at 7:34 AM Ryan Zagone [REDACTED] wrote:

Hey Brad - fully aligned. [REDACTED] and I prepped earlier this week on how to be direct and aggressive on these points, anticipating Gary would make them. Game plan is ready.

[REDACTED] shared talking points and I prepped with [REDACTED] tactics on how to aggressively counter the points while coming off professional.

Gary goes first, so [REDACTED] has the ability to directly rebut.

We'll report back on how it goes.

(Didn't mean to cut folks out - just trying to manage inboxes)

Ryan,
Thanks for flagging this. Adding Monica and [REDACTED] back to the thread.

I'm obviously a bit late to this thread (relative to when the presentation is) but I want to make sure that Monica, [REDACTED] and I stay in the loop on this. It's an incredibly important issue to manage carefully. But that doesn't mean we can't be very aggressive and forceful in our points about why Gary Gensler is not an authoritative voice on this.

It's also important that we remain 'on message' with regard to:

- 1) XRP's independence (exists independently of Ripple),
- 2) ownership of XRP doesn't give you any ownership of Ripple (dividends or rights to profits)
- 3) there is real utility inherent to XRP

Given that Gensler (and Joi Ito) continue their campaign on this topic - we also should be forceful about discrediting them as experts on the topic

On Wed, Jun 13, 2018 at 8:42 PM, Ryan Zagone [REDACTED] wrote:

(Minus leadership, plus marcomm)

[REDACTED] and I prepped today in anticipation of Gensler being anti-Ripple (this exact scenario).
Can you share some points to [REDACTED] on how best address the slide and the Fortune article today?

Thanks much

On Thu, Jun 14, 2018 at 12:27 AM [REDACTED] wrote:

Hello all,
As previously discussed, Japan's FSA will be holding a virtual currency working group meeting tomorrow. (June 15th morning Japan time)

[REDACTED] will be calling into the meeting from Thailand as one of the presenters, and we confirmed that Joi Ito and Gary Gensler of MIT Media Labs will also be calling in remotely. Aya Miyaguchi of Ethereum Foundation will not be attending the meeting after all.

FSA just shared with us the presentation that Joi and Gary will be using, as attached. *(Please keep this confidential)* As you can see, there is a slide (page 17) that focuses on Ripple - XRP as below. There is also a slide that talks about the Howey Test.

I wanted to bring this to your attention since they may intend to say something hostile about us during their presentation.

Please let me know if you have any questions.
[REDACTED]

Ripple - XRP



- XRP, was launched in 2013 with Ripple Labs initially holding 80 percent of the total tokens.
- Ripple has subsequently sold or used XRP in operations, now owning 60 percent of the tokens.
- Purchasers invested money or gave valuable services to a common enterprise, Ripple.
- Purchasers had a reasonable expectation of profit based upon the efforts of the promoter, Ripple.
- Ripple's CEO has said, "To build XRP liquidity, we have been mindful over the years about how we distribute XRP. ... We engage in distribution strategies that we expect will result in a strengthening XRP exchange rate against other currencies."
- Ripple's web site maintains a link to buy XRP on 16 different exchanges.
- Ripple leads development of the platform and partners with firms to use the network,
- Ripple possibly influences significant control over which nodes can validate transactions, and releases new white papers for the network.
- One might say, however, that XRP has been usable in some fashion on the Ripple network since 2013 and that XRP and the Ripple network might still exist even if Ripple, the company, disappeared.



Director of Joint Venture Partnership | Ripple



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